

FY 2001 - 2006 PERFORMANCE BASED INCENTIVE**SECTION 1
General Information**

Title: Performance Management Plan Implementation

Project Baseline Summary (PBS): TW04 Work Breakdown Structure (WBS): 5.02.02.05

Maximum Available Incentive Fee: FY 2002 = .8742 percent of the total available FY 2001 – 2006 incentive fee pool

FY 2003 – FY 2004 = to be negotiated

Type: Stretch

Note: ORP may at its unilateral discretion choose to revise downward the baseline cost estimate for this PBI to reflect the results of the FY 2002 baseline improvement process and/or the associated baseline change request.

**SECTION 2
Technical Contacts**

ORP Point of Contact: L. Erickson/S. Wiegman

Contractor Point of Contact: R. Dodd

**SECTION 3
Performance Expectations and Earning Schedule****General:**

1. The Contractor's final fee will be determined in accordance with clause H.1, Performance Based Incentives and Fee Distribution.
2. Performance Based Incentives may be modified to reflect changes to the project baseline resulting from external drivers, such as, submission and approval of TPA change requests for consistency purposes.
3. Acceptable product completion represents technical adequacy and good value to the government.

Specific Requirements:

FY 2002 Workslope (items for FY 2002 fee earning above)

1. Perform Planning and Technical Integration Project Management of the three initiatives, which have been started by ORP [Technical Integration Baseline Development Team (TIBDT), Mission Acceleration Initiatives (MAI), and Cleanup Constraints and Challenges Team (C3T)] as evidenced by the following 4 elements:
 - a. Develop a Planning and Technical Integration Project Plan for the overall integration of the TIBDT, MAI, and C3T teams by 4/30/02 (earn 0% of fee)
 - b. Develop a communications plan for the Planning and Technical Integration of work initiatives by 4/30/02 (earn 0% of fee)
 - c. Develop the project plan for the MAI Project by 4/15/02 (earn 0% of fee)
 - d. Develop the project plan for the C3T Project by 4/15/02 (earn 0% of fee).

These project plans will be developed by CH2M HILL Hanford Group, Inc. (CHG) and serve as a method to develop and communicate the strategy for planning the acceleration of the Tank Farm mission.

2. By 7/26/02, issue the contractor-prepared and ORP approved (see Assumptions, Section 4) Programmatic Environmental Review Report, which is consistent with the strategy described in the Performance Management Plan for the Accelerated Cleanup of the Hanford Site (earn 20% of fee).

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3. By 7/31/02, issue a contractor-prepared and ORP approved (see Define Completion, Section 4) recommendation for alternative technologies for potential mission acceleration (earn 20% of fee).
4. By 8/01/02, develop and document the U. S. Department of Energy, Office of River Protection (ORP) strategy for the revised and mutually agreed to, or determination by ORP of the reasonableness of product, Performance Management Plan for Accelerated Cleanup of the Hanford Site consistent with the 3/05/02 letter of intent (earn 5% of fee).
5. By 8/30/02, develop a draft supplemental analysis to the Environmental Impact Statement (EIS) providing the regulatory basis for alternative retrieval, immobilization, and closure demonstrations (earn 25% of fee).
6. By 9/30/02, develop a target baseline (earn 30% of fee).

FY 2003 – FY 2004 Workslope (items for FY 2003/FY 2004 fee earning):

7. By 8/31/03, complete hot laboratory testing of alternative technologies.
8. By 8/31/04, complete cold pilot demonstrations of selected technologies.
9. By 1/01/03, complete the River Protection Project (RPP) PBS Level integrated schedule and WBS for 2035 cleanup completion for incorporation into a Hanford Site integrated schedule consistent with the Performance Management Plan for Accelerated Cleanup of the Hanford Site.
10. By 1/31/04, provide to ORP a detailed baseline revision supporting accelerated cleanup for integration within the Hanford Site baseline consistent with the Performance Management Plan for Accelerated Cleanup of the Hanford Site.

Note: Milestones associated with closure demonstrations have been developed under a separate Performance Based Incentive (PBI) and are not covered in this PBI.

SECTION 4**Performance Requirements**

DEFINE COMPLETION: *(Specify performance elements and describe indicators of success (quality/progress). Include baseline documentation/data against which completion documentation should be compared.)*

- 1.a. Complete a contractor-prepared and ORP approved (see Assumptions, Section 4) project plan for the integration of the three project initiatives started by ORP (TIBDT, MAI, and C3T). The contractor-prepared and ORP approved project plan will be submitted to ORP by 4/30/02, and includes the logic for integration, process for communication and tracking issues between projects, and a process for evaluating alternatives.
- 1.b. Complete the initial contractor-prepared and ORP approved (see Assumptions, Section 4) communications plan by 4/30/02, which identifies the primary regulatory interface meetings, the key programmatic deliverable documents, and the messages to be delivered to accelerate the mission.
- 1.c. Complete a contractor-prepared and ORP approved (see Assumptions, Section 4) MAI Project Plan by 4/15/02, which includes the project deliverables, logic for completion, and cost and schedule for completion. Also included in this plan will be the process for ORP, contractor, and stakeholder review, and the configuration management of the data and technical deliverables.
- 1.d. Complete a contractor-prepared and ORP approved (see Assumptions, Section 4) C3T Project Plan by 4/15/02, which includes the project deliverables, logic for completion, and cost and schedule for completion.
2. Issue a Programmatic Environmental Review Report, which provides a technical evaluation of alternatives being considered to enhance the RPP Baseline options for retrieval, immobilization, and closure of the Tank Farms consistent with the strategy of the Performance Management Plan for the Accelerated Cleanup of the Hanford Site. This will provide the documentation of the technical basis for alternative technologies and provides the background detail for the supplemental analysis to the EIS.
3. Issue a contractor-prepared and ORP approved recommendation for alternative technologies, documenting the flowsheet

analysis of the technology and how it would be implemented to accelerate the tank farm mission by providing an alternative to Waste Treatment Plant (WTP) vitrification of all the waste, or that would enable higher throughput or reducing technical risks of the currently planned WTP. This defines the recommended technologies or combinations of technologies for FY 2003 testing consistent with the Performance Management Plan for the Accelerated Cleanup of the Hanford Site and the ORP Baseline Opportunities Working Group. The technologies will be identified and selected via:

- Workshop selection of potential technologies
 - Flowsheet of the technologies
 - Workshop review and selection based on flowsheet analysis using agreed to selection criteria and panel of technical and regulatory experts
 - Results of the selection workshop and recommendations will be documented in an issued report
4. Provide the strategy, milestones, Government Furnished Services & Information and key decisions for ORP to be used in the 8/01/02 deliverable, as described in the 3/05/02 letter of intent for mission acceleration. Included in this plan, will be the ORP strategy, which is integrated with the other initiatives for accelerating cleanup of the Hanford Site from 2070 to 2035, and possibly as soon as 2025. The 8/01/02 work plan will be mutually agreed to by the Tri-Parties (Ecology, EPA, and DOE) or determination by ORP of the reasonableness of product. Fee is payable upon document issuance.
 5. Transmit to ORP, a draft supplemental analysis to the EIS, documenting the alternatives considered in the Programmatic Environmental Review Report. The supplemental analysis will determine whether the alternatives are bounded by the TWRS EIS and Record of Decision. The draft of this document will be provided to ORP as the 8/30/02 deliverable. For information only: This supports a subsequent 30-day review cycle by ORP for final revision and approval by 10/30/02.
 6. The documented target baseline will be prepared and transmitted to ORP, which provides technical background, assumptions, and initial demonstrations for completion of the RPP Mission consistent with the "Performance Management Plan for the Accelerated Cleanup of the Hanford Site," which was made public 5/01/02. The assumptions used in developing the target baseline will be updated, per an agreed to change control process to remain consistent with the 8/01/02 revision of the "Performance Management Plan for the Accelerated Cleanup of the Hanford Site." The target baseline will consist of a summary level schedule, cost estimates, and key decision and site integration points.
 7. Hot laboratory testing of alternative technologies will provide laboratory analysis and supporting engineering data to guide alternative technology selection. The data from the laboratory testing will be documented and a system optimization study for utilization of the alternate treatment technology will be documented and transmitted in a letter report to ORP. Hot laboratory testing of alternative technologies will be based on Specific Requirement 3 and agreement with ORP.
 8. Cold pilot demonstration(s) will provide confirmation that the selected technology is acceptable for deployment. The demonstration results will be documented and transmitted to ORP for consideration of implementation for waste processing and immobilization.
 9. Complete a PBS Level integrated schedule and WBS, which implements the attributes of the 8/01/02 revision of the Performance Management Plan for the Accelerated Cleanup of the Hanford Site. The deliverable will be a PBS level P3 schedule that will be integrated with the U.S. Department of Energy, Richland Operations Office (DOE-RL) summary schedule to create a PBS-level Hanford Site integrated schedule and WBS for 2035 cleanup completion.
 10. Complete a revision to the RPP baseline providing detailed cost and schedule information. This revised RPP baseline shall be integrated with the DOE-RL baseline to develop a detailed integrated Hanford Site baseline in support of accelerated cleanup by 2035. The RPP baseline will be of a quality that is consistent with the Good Practice Guide for Baseline Development (GPG-FM-016).

DEFINITIONS: *(define terms)*

Technical Integration Baseline Development Team (TIBDT) – The TIBDT activity was established by letter from H. L. Boston, ORP, to M. P. DeLozier, CHG, "Contract No. DE-AC27-99RL14047 – Development of a Waste Treatment Complex Integrated Technical Foundation," 01-ORP-127/0106563, dated November 21, 2001, focused on the optimization associated with the phase 1 Mission (construction and operation of waste treatment facilities to address the first ten percent of the tank waste by 2018). The continued integration of Phase I WTP optimization within tank farms will be provided under this activity after expected completion of the TIBDT.

Mission Acceleration Initiatives (MAI)– The MAI effort was established for the evaluation of alternative treatment options for the remaining waste and tank farm closure. This activity was previously referred to as the balance of mission.

Cleanup Constraints and Challenges Team (C3T) - The C3T joint initiative between ORP, the DOE-RL, State of Washington Department of Ecology (Ecology), and the Environmental Protection Agency (EPA) developing the common standards and

strategies for ORP facilities with other cleanup efforts at Hanford.

Project Plan – A project plan, approved by CHG, identifies the scope, deliverables, schedule, and cost of the project. Also included within the project plan will be a logic for the completion of the tasks, interface between the projects and lines of communications between the projects and the ORP leadership.

Performance Management Plan for the Accelerated Cleanup of the Hanford Site – The DOE-RL and ORP have developed this document to provide the U.S. Department of Energy-Headquarters, the Office of Management and Budget, Congress, our regulators, tribal governments, and stakeholders our plan for accelerating cleanup of the Hanford Site from 2070 to 2035, and possibly as soon as 2025.

Programmatic Environmental Review Report – The Programmatic Environmental Review Report, to be issued by CHG, provides a description and comparison of technologies, which are being considered to enhance the RPP baseline options for retrieval, immobilization, and closure documentation. The technology and alternatives under consideration are identified and described in CHG Interoffice Memo 70000-TLS-02-001.

Supplemental analysis – The supplemental analysis is a report issued by CHG, which will compile existing documents and information necessary for a National Environmental Policy Act of 1969 (NEPA) determination as to adequacy of basis for implementation of current closure initiatives. The analysis shall also identify additional information requirements, as appropriate.

Letter of Intent – Documents a commitment by the Tri-Parties (Ecology, EPA, and DOE), to accelerate Hanford Site cleanup, dated 3/05/02.

Reasonableness of products will be defined as disposition, comment resolution and incorporation, of ORP comments relevant to the submitted products.

COMPLETION DOCUMENTS LIST: *(Name the documents, databases, etc., which will be submitted to show completion for each Performance Expectation.)*

- 1.a. Letter report to ORP documenting the contractor-prepared and ORP approved Planning and Technical Integration Project Plan.
- 1.b. Letter to ORP transmitting the Planning and Technical Integration Communications Plan.
- 1.c. Letter report to ORP documenting the MAI Project Plan.
- 1.d. Letter report to ORP documenting the C3T Project Plan.
2. Letter to ORP transmitting the Programmatic Environmental Review Report.
3. Letter to ORP transmitting the documented recommendation for alternative technologies.
4. 8/01/02 revision to "Performance Management Plan for the Accelerated Cleanup of the Hanford Site."
5. Letter to ORP transmitting the draft supplemental analysis to the EIS.
6. Letter to ORP transmitting the documented target baseline.
7. Letter report to ORP documenting the results and recommendations of the hot laboratory testing.
8. Letter report to ORP documenting the results and recommendations of the cold pilot demonstrations.
9. Electronic PBS Level P3 schedule and WBS for integration with the rest of the Hanford Site.
10. Electronic detailed baseline P3 resource-loaded schedule for integration within the rest of the Hanford Site.

ASSUMPTIONS/TECHNICAL BOUNDARY CONDITIONS: *(For reasonably foreseeable impacts to performance that are not within control of Contractor. If the assumption or condition proves false, the remedy is renegotiations unless stated otherwise.)*

- The three teams (TIBDT, MAI, and C3T) established by ORP are project managed individually by ORP and funded by ORP separate from the Planning and Technical Integration function.
- A one-week (5 working days) review and comment period will be provided for a concurrent CHG/ORP review of the draft Planning and Technical Integration Project and Communications Plan.
- A one-week (5 working days) review and comment period will be provided for a concurrent CHG/ORP review of the draft Project Plans for MAI and C3T projects.
- An initial (30-calendar day) review and comment period ending 5/30/02 will be provided for a concurrent CHG/ORP/Ecology

review of the draft Programmatic Environmental Review Report.

- The Draft Programmatic Environmental Review Report will be submitted to ORP by 6/19/02. Following external review and additional ORP/Ecology review, comments will be provided to the contractor by 7/19/02 for disposition and submittal of final report by 7/26/02. A day-for day slip in the milestone date will be incurred for late submittal of ORP comments.
- On the contractor-prepared and ORP approved document, recommending alternative technologies for potential mission acceleration, ORP will have 10 working days to review and submit comments and Contractor will have 10 working days to disposition comments. A day-for day slip in the milestone date will be incurred for late submittal of ORP comments.
- DOE-RL will continue to be the lead for the submittal of the overall update of the Performance Management Plan for the Accelerated Cleanup of the Hanford Site and issues the update by 8/01/02 and all Tri-Parties continue to participate in the C3T or similar discussions.
- The development of the target baseline assumes that ORP will continue to support the three teams with technical resources as they currently exist. No laboratory testing or demonstrations will be performed by CHG in FY 2002 to support the assumptions being made in the target baseline. Existing and available data will be used. Cost estimates used for the development will be summary level and not at a level of detail directly sufficient for baseline incorporation.
- ORP will provide contract direction for the hot laboratory testing for alternative treatment technologies based on the recommendations made in incentive 3 above by 10/01/02.
- Additional funding will be provided for future 2003 and beyond work associated with alternative treatment options.
- ORP approval of the Programmatic Environmental Review Report is required by 7/26/02 to support development of the supplemental analysis to the EIS by 8/30/02.
- The results of the supplemental analysis will be used to determine future EIS or ROD actions to be taken, if any.
- Guidance and requirements for development of the Hanford integrated schedule will be provided to the Contractor by 7/01/02.

SECTION 5

Signatures

ORP Manager/Date

CHG President and General Manager/Date

ORP Contracting Officer/Date

CHG Contract Representative/Date